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Support D

## Yugoslavia: Eligibility for independence bonus

Note by the Administrator

**Elements of a decision**

The Executive Board may wish to approve an independence bonus for Yugoslavia on the basis of its status as a new state and in conjunction with consideration of the first country cooperation framework for Yugoslavia.

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# I. Overview

1. The eligibility of Yugoslavia for an independence bonus is based on General Assembly resolution 55/12, by which Yugoslavia was admitted to membership in the United Nations as a new state in November 2000 in accordance with the Security Council recommendation (A/55/535); it is also in line with the Governing Council/Executive Board decisions 76/43 and 95/26, outlining and interpreting eligibility criteria for the independence bonus.

2. On the basis of the formula established by decision 76/43, the independence bonus for Yugoslavia would amount to $570,380, i.e. $70,380 representing 15 per cent of the 1997-2000 national target for resource assignment from the core (TRAC) plus a lump sum amount of $500,000.

3. In General Assembly resolution 2688 (XXV) (the "Consensus"), paragraph 16 of its annex states that "the Administrator will calculate the percentage devoted to each country of the total earmarkings (i.e. the indicative planning figures) and ... he will scrutinize these figures in light of existing criteria for the allocation of resources and adjust them where necessary ... to ensure that special consideration is given to the situation of the least developed countries and of newly independent countries whose lack of an adequate administration infrastructure has prevented them from taking proper advantage of programme assistance."

4. The new Government is working to implement a programme of reform based on democratic governance through effective administration, economic liberalization, legislative and judiciary reform, the rebuilding of a qualified labour force, revitalization of the infrastructure and integration into the European Union within a time frame of 10 years. However, the Government has been hindered in its efforts to implement a vigorous reform programme by the weak institutional capacity and economic decline that resulted from the administrative legacy of the previous regime. The successful transition by the Government from a decade of social and economic decline and political isolation is imperative to the long-term stability of Yugoslavia as well as to that of south-eastern Europe.

5. UNDP is supporting the Government's reform efforts by addressing the weak administrative capacity and infrastructure. As elaborated in the first country cooperation framework for Yugoslavia (2002-2004), formulated with the Government, the primary objective of the UNDP programme is to consolidate democracy and social equity through reform and recovery with a special focus on governance and policy advocacy. The Government and UNDP strategy is, in part, to assist in the restructuring and capacity-building of federal institutions, promote professionalization of the civil service; and develop and implement a public administration reform strategy to revitalize public institutions. The efforts of the Government, supported by UNDP, to overcome its lack of adequate administrative structure would be strengthened by the independence bonus.